

Agency 713

State Employee Compensation**Recommendation Summary**

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
2003-05 Expenditure Authority		6	(2,535)	(2,529)
Total Maintenance Level		15,248		15,248
Difference		15,242	2,535	17,777
Percent Change from Current Biennium		254,033.3%	(100.0)%	(702.9)%
Performance Changes				
Pension Gain Sharing #		(15,248)		(15,248)
Projected Unit Credit - OSA #		(90,078)	(112,684)	(202,762)
Pension Savings In Salary Items #		(1,202)	(1,500)	(2,702)
Washington Federation of State Employees Cost of Living Adjustment/Salary Survey		53,428	74,551	127,979
Washington Public Employees Association Cost of Living Adjustment/Salary Survey		4,609	6,624	11,233
Teamsters' Cost of Living Adjustment/Salary Survey		20,938	3	20,941
United Food and Commercial Workers Cost of Living Adjustment/Salary Survey			1,138	1,138
Professional/Technical Engineers Local 17 Cost of Living Adjustment/Salary Survey		241	3,792	4,033
Service Employees International 1199 Cost of Living Adjustment/Salary Survey		3,916	1,762	5,678
Coalition Cost of Living Adjustment/Salary Survey		1,627	3,579	5,206
Super Coalition Health Benefits		57,764	56,560	114,324
Classification Revisions		1,710	1,468	3,178
Nonrepresented Employees Cost of Living Adjustment		32,782	54,264	87,046
Nonrepresented Employees Health Benefit Change		2,241	3,471	5,712
Nonrepresented Salary Survey Implementation		8,581	13,470	22,051
Subtotal		81,309	106,498	187,807
Total Proposed Budget		96,557	106,498	203,055
Difference		96,551	109,033	205,584
Percent Change from Current Biennium		1,609,183.3%	(4,301.1)%	(8,129.1)%
Total Proposed Budget by Activity				
Compensation Allocations		96,557	106,498	203,055
Total Proposed Budget		96,557	106,498	203,055

PERFORMANCE LEVEL CHANGE DESCRIPTIONS**Pension Gain Sharing #**

Prefunding for Pension Gain Sharing is removed from the budget.

COMPENSATION

Projected Unit Credit - OSA #

This item reflects moving the Public Employees' Retirement System, the Teachers' Retirement System, and the School Employees' Retirement System from the aggregate actuarial method to the projected unit credit method, using assumptions and methods provided by the Office of the State Actuary.

Pension Savings In Salary Items #

The cost of providing cost of living and other salary adjustments is reduced to reflect the lower pension contribution rates under the projected unit credit method.

Washington Federation of State Employees Cost of Living Adjustment/Salary Survey

The Governor's Office of Labor Relations negotiated this contract with the Washington Federation of State Employees. It provides a cost-of-living adjustment of 3.2 percent on July 1, 2005, and 1.6 percent on July 1, 2006. Also funded is the implementation of the Department of Personnel's 2002 Salary Survey for those classifications that are more than 25 percent behind market.

Washington Public Employees Association Cost of Living Adjustment/Salary Survey

The Governor's Office of Labor Relations negotiated this contract with the Washington Public Employees Association. It provides a cost-of-living adjustment of 3.2 percent on July 1, 2005, and 1.6 percent on July 1, 2006. Also funded is the implementation of the Department of Personnel's 2002 Salary Survey for those classifications that are more than 25 percent behind market.

Teamsters' Cost of Living Adjustment/Salary Survey

The Governor's Office of Labor Relations negotiated this contract with the International Brotherhood of Teamsters. It provides a cost-of-living adjustment of 3.2 percent on July 1, 2005, and 2.9 percent on July 1, 2006. Also funded is the implementation of the Department of Personnel's 2002 Salary Survey for those classifications that are more than 25 percent behind market.

United Food and Commercial Workers Cost of Living Adjustment/Salary Survey

The Governor's Office of Labor Relations negotiated this contract with the United Food and Commercial Workers. It provides a cost-of-living adjustment of 3.2 percent on July 1, 2005, and 1.6 percent on July 1, 2006.

Professional/Technical Engineers Local 17 Cost of Living Adjustment/Salary Survey

The Governor's Office of Labor Relations negotiated this contract with the International Federation of Professional and Technical Engineers Local 17. It provides a cost-of-living adjustment of 3.2 percent on July 1, 2005, and 1.6 percent on July 1, 2006. Also funded is the implementation of the Department of Personnel's 2002 Salary Survey for those classifications that are more than 25 percent behind market.

Service Employees International 1199 Cost of Living Adjustment/Salary Survey

The Governor's Office of Labor Relations negotiated this contract with the Service Employees International Union 1199. It provides a cost-of-living adjustment of 3.2 percent on July 1, 2005, and 1.6 percent on July 1, 2006. Also funded is the implementation of changes to the salary grid, including an extra step added to salary range "N."

Coalition Cost of Living Adjustment/Salary Survey

The Governor's Office of Labor Relations negotiated this contract with the Coalition of employee unions with fewer than 500 members. It provides a cost-of-living adjustment of 3.2 percent on July 1, 2005, and 1.6 percent on July 1, 2006. Also funded is the implementation of the Department of Personnel's 2002 Salary Survey for those classifications that are more than 25 percent behind market.

Super Coalition Health Benefits

The Governor's budget assumes the same health benefit package and employee cost-sharing in the 2005-07 Biennium for both represented and non-represented employees. The goal is to hold the average employee contribution to 12 percent of the total cost of the medical benefit. The funding rates for represented employees were established through collective bargaining in September 2004 and will be \$663/month for Fiscal Year (FY) 2006 and \$744/month for FY 2007. An updated financial forecast for the Insurance Account indicates additional resources will be available, allowing the funding rate for non-represented employees to be lower than expected, \$663/month for FY 2006 and \$528/month for FY 2007. The actual state cost paid from the Insurance Account per comparable represented/non-represented employee will be the same.

Classification Revisions

This provides funding to phase in classification consolidation and revisions required by the Public Service Reform Act of 2002. Group Two and Group Three of the Department of Personnel's classification plan would be affected.

Nonrepresented Employees Cost of Living Adjustment

The Governor provides a cost-of-living adjustment of 3.2 percent on July 1, 2005, and 1.6 percent on July 1, 2006 for non-represented employees.

Nonrepresented Employees Health Benefit Change

The Governor's budget assumes the same health benefit package and employee cost-sharing in the 2005-07 Biennium for both represented and non-represented employees. The goal is to hold the average employee contribution to 12 percent of the total cost of the medical benefit. The funding rates for represented employees were established through collective bargaining in September 2004 and will be \$663/month for Fiscal Year (FY) 2006 and \$744/month for FY 2007. An updated financial forecast for the Insurance Account indicates additional resources will be available, allowing the funding rate for non-represented employees to be lower than expected, \$663/month for FY 2006 and \$528/month for FY 2007. The actual state cost paid from the Insurance Account per comparable represented/non-represented employee will be the same.

Nonrepresented Salary Survey Implementation

This implements the Department of Personnel's 2002 Salary Survey for those classifications that are more than 25 percent behind market.

ACTIVITY DESCRIPTIONS**Compensation Allocations**

This activity is used to account for changes in compensation and benefits prior to the funds moving into individual agency budgets.